

Permit Conditions Of Approval

C-101, Permit 7498

Operator: GRUY PETROLEUM MANAGEMENT CO. , 162683

Well: NEW MEXICO DD STATE COM #003

OCD Reviewer	Condition
BARRANT	Operator to submit seperate C-102 in order to comply with R-Order 2429-A; Rule 4(b).
BARRANT	Please note that Capitan Reef is situated directly to the north-northwest of location. Fresh water mud to be used in the drilling of the intermediate hole, unless hole conditions indicate basinal sediments, ex. salt of the Salado formation.
BARRANT	Fresh water mud or air to be used in surface hole during drilling operations.
BARRANT	Operator to comply with "Practices for Oil and gas drilling and Operations in Cave and Karst Areas/Appendix 3 during drilling operations.
VBARTON	If any type of earthen pit is used in association with the drilling of this well, the requirements of Rule 50 must be met.